

January 17, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) - S.C. Code Ann. Section 58-41-20(A)
Docket No. 2019-185-E (Duke Energy Carolinas, LLC)
Docket No. 2019-186-E (Duke Energy Progress, LLC)

Dear Ms. Boyd:

Pursuant to Ordering Paragraph Five (5) of the Public Service Commission of South Carolina's (the "Commission") Order No. 2019-881(A) (the "Order") issued in the above-referenced dockets on January 2, 2020, Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, LLC ("DEP," and, together with DEC, the "Companies" or "Duke") hereby submit the following documents for filing:

1. DEC Standard Offer Purchased Power Tariff, Schedule PP ("Standard Offer Tariff" or "Schedule PP") in clean and redlined format
2. DEP Standard Offer Tariff in clean and redlined format
3. DEC Standard Offer Power Purchase Agreement ("PPA") in clean and redlined format
4. DEP Standard Offer PPA in clean and redlined format
5. DEC Standard Offer Terms and Conditions for the Purchase of Electric Power ("Terms and Conditions") in clean and redlined format
6. DEP Standard Offer Terms and Conditions in clean and redlined format
7. DEC/DEP Large Qualifying Facility ("QF") PPA
8. DEC/DEP Notice of Commitment to Sell Form ("Notice of Commitment Form")

Each redline version provided by the Companies illustrates changes from the version of the document previously approved by the Commission in Order No. 2016-349. A description of each document and the changes included to incorporate the Commission's most recent Order are included as follows:

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Standard Offer Tariff:

The Standard Offer Tariffs were originally submitted to the Commission as Wheeler DEC Exhibit 1, Wheeler DEC Exhibit 2, Wheeler DEP Exhibit 1, and Wheeler DEP Exhibit 2. The Standard Offer Tariffs enclosed herein include the revised ten-year fixed rates for energy and capacity credits as set forth in Ordering Paragraphs three and four (on pages 167-68), along with the five-year fixed rates and variable rates calculated in accordance with the methodology approved by the Commission. Additionally, the “Availability” section of the Tariffs has been updated to address pages 127-128 of the Order regarding an extension of the 30-month in-service date. The “Rate” section of the Tariffs addresses the solar Integration Services Charge, as approved by the Commission on pages 120-123 of the Order. The “Rate Updates” section has also been updated to address the applicability of the solar Integration Services Charge to PPAs executed under this Tariff.

Standard Offer PPA:

The Standard Offer PPAs were originally submitted to the Commission as Wheeler DEC Exhibit 3, Wheeler DEC Exhibit 4, Wheeler DEP Exhibit 3, and Wheeler DEP Exhibit 4. The “Initial Delivery Date” section of the Standard Offer PPA has been amended to address pages 127-128 of the Order regarding an extension of the 30-month in-service date. The Standard Offer PPAs originally submitted as exhibits to Witness Wheeler’s direct testimony also included an Exhibit A “Energy Storage Protocol for Schedule PP Sellers.” A revised version of the “Energy Storage Protocol for Schedule PP Sellers” was subsequently submitted to the Commission as Wheeler Rebuttal Exhibit 5. The modifications addressed on pages 125-126 of the Order were included in Wheeler Rebuttal Exhibit 5, which is the version of the Energy Storage Protocol that is attached to the Standard Offer PPA included in this filing.

Standard Offer Terms and Conditions:

The Standard Offer Terms and Conditions were originally submitted to the Commission as Wheeler DEC Exhibit 5, Wheeler DEC Exhibit 6, Wheeler DEP Exhibit 5, and Wheeler DEP Exhibit 6. A revised version of the Standard Offer Terms and Conditions were subsequently submitted to the Commission as Wheeler DEC Rebuttal Exhibit 1, Wheeler DEC Rebuttal Exhibit 2, Wheeler DEP Rebuttal Exhibit 3, and Wheeler DEP Rebuttal Exhibit 4. Revisions have been made to Section 4(e) and 8(e) of the Standard Offer Terms and Conditions to incorporate the Commission’s determination on page 129 of the Order that Duke’s consent to proposed material alterations of QF generating facilities may not be unreasonably withheld, conditioned or delayed.

Large QF PPA:

The Large QF PPA was originally submitted to the Commission as Johnson DEC/DEP Exhibit 2 and subsequently as Johnson Rebuttal Exhibit 2. Section 6.2 of the Large QF PPA incorporates the determination on page 134 of the Order providing an alternative time period at which the QF may enter into a PPA, based on the QF’s status in the interconnection process. Section 20.1 of the Large QF PPA incorporates the determination on page 136 of the Order, providing certain QFs the option to terminate the PPA without liability if the interconnection facilities and network upgrades required for interconnection exceed \$75,000 per megawatt (“MW”) AC. To address pages 138-139 of the Order with regard to the issue of a surety bond, Duke has amended the definition of “Performance Assurance” in Section 1.70, added a definition

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of “Surety Bond” in Section 1.90, and added an additional exhibit to the Large QF PPA to provide a Form of Surety Bond.

Notice of Commitment Form:

The Notice of Commitment Form was originally submitted to the Commission as Johnson DEC/DEP Exhibit 1 and subsequently as Johnson Rebuttal Exhibit 1. Section 3(iii) of the Notice of Commitment Form incorporates the Commission’s determination on Page 146 of the Order regarding environmental permits and land-use approvals. Section 3(iv) of the Notice of Commitment Form incorporates the Commission’s determination on page 134 of the Order providing an alternative time period at which the QF may enter into a PPA, based on the QF’s status in the interconnection process. Section 6(iii) incorporates the Commission’s determination on page 151 regarding extensions to the 365-day in-service requirement. Section 8 has been added to address the Commission’s determination on pages 152-153 of the Order, providing certain QFs the option to terminate the Notice of Commitment Form if the interconnection facilities and network upgrades required for interconnection exceed \$75,000 per MW AC.

The DEC and DEP Standard Offer Tariffs and Terms and Conditions have also been filed electronically using the Commission’s E-Tariff system. By copy of this letter, Duke is providing the other parties of record with an electronic copy of the updated documents attached hereto.

Sincerely,



Rebecca J. Dulin

Attachments

- C: Parties of Record (via email)
John Dalton, Power Advisory, LLC (via email)
Natanel Lev, Power Advisory, LLC (via email)
Carson Robers, Power Advisory, LLC (via email)